

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LEVEE ROAD WATER ASSOCIATION, INC.) CASE NO. 91-369

O R D E R

On October 16, 1991, Levee Road Water Association, Inc. ("Levee Road") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Levee Road purchases water from the city of Mt. Sterling ("Mt. Sterling"). Prior to this case, Mt. Sterling billed Levee Road on a nine-step declining block rate schedule. Mt. Sterling has changed the rate structure it charges its customers to an eight-step declining block rate schedule.

2. Effective with the June 1, 1990 meter readings, Mt. Sterling increased its rates to Levee Road by approximately 17 cents per 1,000 gallons. The average monthly bill will increase from \$16.23 to \$17.29, which is an increase of 6.53 percent. These monthly bills are derived from information contained in Levee Road's 1990 annual report, which is incorporated by reference herein.

3. Levee Road increased the rates to its customers effective October 1, 1991.

4. During the 12 months ending May 31, 1991, Levee Road purchased 36,257,953.6 gallons of water and sold 31,544,419.63 gallons.

5. The increase in Levee Road's purchased water costs is \$6,189, resulting in a purchased water adjustment of 20 cents per 1,000 gallons of water.

6. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

7. The tariff sheet proposed by Levee Road should be rejected in that the tariff is not signed by the utility officer authorized to issue the tariff.

IT IS THEREFORE ORDERED that:

1. The tariff sheet filed by Levee Road is hereby rejected.


2. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after October 1, 1991.

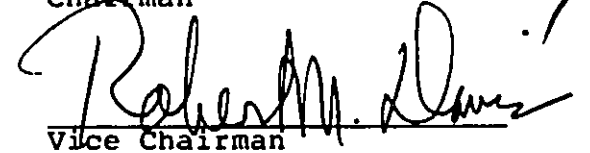
3. Within 30 days of the date of this Order, Levee Road shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein.

4. Within 20 days of the date of this Order, Levee Road shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 1st day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-369 DATED November 1, 1991.

The following rates and charges are prescribed for the customers in the area served by Levee Road Water Association Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential and Business

5/8 Inch x 3/4 Inch and 1 Inch

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 1,000 gallons	\$7.00 Minimum Bill
Next 2,000 gallons	2.65 per 1,000 gallons
Next 3,000 gallons	2.15 per 1,000 gallons
Next 19,000 gallons	1.65 per 1,000 gallons
Next 25,000 gallons	1.40 per 1,000 gallons
Over 50,000 gallons	1.20 per 1,000 gallons